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RUEHKO/AMEMBASSY TOKYO 1092  
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UNCLAS SECTION 01 OF 02 JAKARTA 003134

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TAGS: [PGOV](#) [KMCA](#) [KCOR](#) [ECON](#) [KJUS](#) [ID](#)  
SUBJECT: ANTI-CORRUPTION COMMISSION LEADING INDONESIAN REFORM  
MOVEMENT

REF: A) JAKARTA 2753 - Judicial Comm Irawady case; B) JAKARTA 2610 -

U/S Jeffery Meeting with KPK; C) JAKARTA 2864 - Audit Board update;  
D) JAKARTA 2464 - Anti-Corruption Court Update

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11. (SBU) Summary: The Corruption Eradication Commission (KPK) leads the anti-corruption movement in Indonesia through its high-level investigations, vigorous prosecutions, and highly respected reform-minded leadership. Our legal, law enforcement, and NGO contacts broadly agree that the KPK's leadership is cause for optimism within the anti-corruption and broader governance reform agendas in Indonesia. The KPK continues to demonstrate its success by prosecuting six "big fish" in 2007. The KPK is further institutionalizing its role in anti-corruption reform by increasing case loads through expanded personnel levels. The KPK is implementing a long-term strategy that balances prevention and prosecution. While institutional and bureaucratic forces challenge its expanded profile, the KPK continues to achieve results, charting a strategic direction for anti-corruption reform in Indonesia. End Summary.

High-Profile Cases Highlight KPK Success  
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12. (U) The KPK is an independent government institution with a well-deserved reputation for effectiveness. As of October 2007, the KPK successfully executed 21 cases. Six cases in 2007 involved "big fish," or high-level government officials, according to Acting KPK Secretary General Syamsa Ardisasmita. The KPK prosecuted the

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Governor of South Kalimantan, two mayors (Kendal, Kutai

Kartanegara), the former Minister of Oceans and Fisheries, a former Secretary General in the Law and Human Rights Ministry, and a

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Ministry of Foreign Affairs official. The KPK also won cases involving bribery scandals at the Supreme Court. The KPK is currently prosecuting a senior Judicial Commission official (ref A). These "big fish" cases are symbolically and substantively important and spotlight Indonesia's robust anti-corruption efforts.

13. (SBU) KPK officials noted that these successful prosecutions have returned Rp 50 billion (\$5.6 million; Rp 9,000/USD) to the government. The estimated potential return including pending cases totals Rp 98 billion (\$10.9 million). These numbers are small compared to the Rp 36 trillion (\$4 billion) the GOI loses annually due to public procurement corruption, according to KPK chairman Taufiequrachman Ruki.

#### KPK Capacity Continuing to Increase

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14. (U) The KPK has fully carried out 39 cases since its founding in 2004. It has steadily increased its case loads from no cases in 2004 to four cases in 2005, 14 in 2006, and 21 in 2007 (through August). The KPK has similarly increased its investigations. Through August 2007, the KPK has increased initial preliminary investigations to 59, compared to 36 in 2006. Regarding full investigations, the KPK has conducted 25 through August 2007, compared to 28 in all of 2007.

15. (U) Increased personnel explain the rising tempo of operations. The KPK has more than quadrupled the number of investigative personnel and doubled the number of prosecutors since 2004. The KPK now has 85 investigators and 20 prosecutors. KPK leadership tell us they will prioritize further personnel increases in their budget to continue to increase their overall capacity. The KPK has also moved into its permanent headquarters, increasing its physical capacity and symbolic prominence with its location on Jakarta's main thoroughfare.

#### Corruption Prevention as the Long-Term Solution

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16. (SBU) The KPK will focus 40% of its resources on prevention and 60% on prosecution, according to Ardisasmita. KPK Commissioner Amien Sunaryadi has also told us that the KPK seeks to improve its programming for prevention: he views prevention as the longer-term solution for anti-corruption reform. To increase prevention efforts, the KPK is leading broader civil service, procurement, and judicial reform initiatives. Supreme Court reform is also a high priority, according to KPK Deputy for Prevention Waluyo. The KPK is partnering with other reformers, such as Finance Minister Sri Mulyani, to address broader judicial and civil service reform. Sri Mulyani has made great progress with Finance Ministry reform, removing notoriously corrupt Directors General of Tax and Customs.

17. (SBU) Two core KPK functions are supervision and coordination of anti-corruption cases (ref B). The KPK is responsible for supervising and coordinating anti-corruption cases with relevant government entities. The KPK noted 22 cases for which it has played a supervisory role and 66 cases as coordinator. KPK contacts tell us they seek closer, more efficient cooperation with the Attorney General's Office and Police, two key anti-corruption reform actors. The independent standing and clean reputation of the KPK allow it to be a strong leader of the Indonesian anti-corruption reform movement, according to a majority of our contacts.

#### The Long, Slow Road to Revolutionary Reform

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18. (SBU) Challenges remain for the KPK. The courts have reduced KPK-recommended penalties in some high-profile cases. The KPK sought a seven-year sentence for East Kalimantan Governor Suwana,

but the Anti-Corruption Court (ACC) only levied 18 months. Legal contacts tell us that KPK successes must also be placed in perspective. It has a 100% conviction record, but has only brought 39 cases to trial. The KPK has recovered \$5.6 million in losses to the state, a fraction of the millions of dollars of ill-gotten gains reported by the BPK (Ref C). The uncertain future of the ACC jeopardizes the KPK's future, too. (Ref D).

Comment: KPK Institutionalizing Its Leadership

19. (SBU) The KPK is institutionalizing its role in anti-corruption reform through its increased personnel, larger case load, and strong mandate. The KPK's successful prosecution of six "big fish" in 2007 is symbolic of its continued progress. Our legal, law enforcement, and NGO contacts broadly agree that the KPK's leadership is cause for optimism within the anti-corruption and broader governance reform agendas in Indonesia. End Comment

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